

THE ACTUAL BEAUTY MARKET SCENARIO: CONSOLIDATED PLAYERS AND NEW EMERGING OPPORTUNITIES

The global industry is keeping growing in the latest five years at a rate of up to 2,9% every year, according to Euromonitor International. Mature markets are investing in innovation and new ingredients solutions, and they are setting global trends thanks to the reach of digital tools such as social media and web technologies. At the same time, new strategic regions are taking central stage, thanks to the demographic growth and the access to information granted by the web.

During the last edition of Cosmoprof Worldwide Bologna, which was held last March with a great success, the occasion was perfect to have deep insights into the market scenario for the cosmetics industry, between consolidated businesses and new opportunities.

THE SOCIAL AND ECONOMIC VALUE OF THE EUROPEAN COSMETICS INDUSTRY

The Value of Beauty Alliance was founded in January 2024 and since its launch has grown from six founding members to sixteen members which include: Albéa; Ancorotti Cosmetics; Beiersdorf; Capua 1880; Cosmetic Valley; dsm-firmenich; FIABILA; Givaudan; IFF; IFRA; KIKO Milano; L'Oréal Groupe; Patyka; Puig; Verescence and Ziaja.

The Alliance was created to represent the EU27 beauty and personal care value chain with a goal of ensuring that it is recognised by policymakers as a strategic sector of the EU's society and economy.

The aim of the Value of Beauty Alliance is to bring together actors of the European beauty and personal care value chain to raise awareness of the positive impact the industry has in Europe both at an economic and societal level and the significant role the industry plays in supporting EU Competitiveness.

The Value of Beauty Alliance representatives took part in a CosmoTalks round table at Cosmoprof Worldwide Bologna 2025, entitled *"A thought-provoking discussion on the success of Europe's beauty and personal care industry"*, to present its latest report, commissioned with Oxford Economics, with the moderation of **Emmanuel Hembert, Global Lead for Cosmetics, Personal Care & Pharma at Quantis**. On the stage, four representatives of the alliance: **Dorle Bahr, Head of Environmental Strategy & Reporting (Corporate Sustainability) at Beiersdorf**, **Stefano Bassi, Quality Assurance and Compliance expert at Ancorotti Cosmetics**, **Filippo De Caterina, Director Corporate Affairs and engagement at L'Oréal Italy**, and **Simone Dominici, CEO of KIKO Milano**.

The report highlighted that **the consumers in the EU spent 181 billion euros on beauty and personal care products in 2023**, with a daily spending of almost 500 million euros as a total. Individually, European consumers spend 33,70 euros per month in cosmetics products. EU27 leads global cosmetics exports, totaling at over 26 billion euros. Europe as a whole counts as the best exporting region in the world with five out of the top seven beauty companies in the world are based in Europe.

The beauty industry has a deep social impact, too. It supports around 3.2 million jobs across all the 27 countries of the European Union, and 72% of the sector's workforce are women, compared to the average percentage of 47% in other industries. Over 12% of the beauty workforce are young people under 25.

Another important feature of the European beauty and personal industry is its high level of innovation. Over 2 billion euros have been invested in research and development in 2021, with an increase from 2013 till 2021 up to 30%. Europe leads the production of new innovative products, sustainable solutions, digital tools, high tech technologies and avant-garde chemicals.

Italy plays a key role within the industry, it is 3rd largest in EU 27 in GDP contribution (€28.3 billion) and is known for its leadership in makeup production (67% of Europe's makeup and 55% globally) and exports, it has the highest proportion of cosmetics wholesalers in the EU. It is not by chance the Cosmoprof Worldwide Bologna, an Italian B2b format, is the leading event for the industry worldwide.

GENERATIONAL PREFERENCES INFLUENCING US BEAUTY LANDSCAPE

The United States are steadily the first cosmetics market in the world, with a value of over 124 billion USD recorded in 2024 and a forecast of more than 126 billion USD to be reached by end of 2025 (+1,5%), according to Euromonitor

International. The retail landscape in the region is the best referral for the big changes undergoing the sector, and during the latest edition of Cosmoprof, the beauty industry resource Beauty Matter hosted a very interesting roundtable about generational shifts, *"Beauty X, Y, Z: how generational preferences are shaping us beauty retail"*, with the moderation of **Kelly Kovack, Founder and CEO**, and **John Cafarelli, Co-Founder and President of BeautyMatter**. The talk hosted **Kimberly Carney, Chief Executive Officer & Founder at GlossWire**, **Tamar Kamen, "Hero Product" Expert**, and **Sarah Potempa, CEO/Co-Founder of The Beachwaver Co**.

Nowadays, brands need to work on a strategy with a multigenerational approach, and as highlighted during the roundtable some of the phenomena which are characterizing the US retail are influencing the industry globally.

Gen Alpha is under the spotlight for retailers today. Their spending power reaches 10,6% of the total value, and they represent the 19,5% of the global population, but they will be the largest generation in the world, reaching 2 billion by 2029. They discover beauty through TikTok and YouTube, and with their behavior they are influencing older generations, too. They are curious and very well educated, even if they are less sophisticated than older consumers, paying more attention on flavor, colors and the aesthetic factors.

Gen Z represents 24,6% of the global population, reaching 17,1% of the total spending power. Nearly 60% of gen Z consumers prefer to keep buying from their favorite brands, though 45% of them try new products every 2 or 3 months. 41% of them prefer physical stores to discover novelties, and 85% of them care about personalized hair and skin diagnostic tools and treatments, paying attention to ingredients and benefits of what they buy.

Millennials represent nowadays 22,9% of the global population and 22,5% of total spending power. They keep driving trends and are the most global online beauty shoppers. They care about quality above any other value, and 68% of them prefer to stay loyal to their favorite brands compared to cheaper alternatives even though tough economic scenarios. They are also focused on sustainability issues: 80% of them expect brands to be clean, and 51% of them look for vegan products.

Gen X represents 18,3 of global population, but they record the highest spending power – 23,5%. Their beauty spending is expected to grow by 150 billion USD between 2024 and 2034, and they account for 20% of beauty spending both masstige and prestige, for a value of up to 23 billion USD. They look for performance-led products, and they are the drivers for longevity and a new concept of anti-aging approach. They are finally receiving more recognition from retailers and brands, together with **Boomers**. +55 years old consumers represent 12,1 of global population, and their spending power reaches 20,8% of the total value. Women over 55 are the only demographic to have increased their beauty purchase since 2019, with a growth percentage of +2% between 2019 and 2023, and a significant +5% since 2022. They are loyal consumers and they choose brands that provide excellent personalized services and high quality interactions.

With all these players being involved in the purchase process, brands are required to think about different target audiences, adapting their communication and marketing tools to win trust, though it is undeniable that younger generations will take central stage soon.

AFRICAN BEAUTY IS NOT THE NEXT FRONTIER, IT IS THE FRONTIER!

Younger generations are driving the growth of the African global beauty movement, too. During Cosmoprof Worldwide Bologna 2025 a Cosmotalks session entitled *"Africa's natural wealth: celebrating its indigenous ingredients"* was dedicated to the incredible potential of Africa in the cosmetics scenario, with the moderation of **Teneshia Carr, Founder of Blanc Magazine and co-founder of BabyRobot Studios**.

By 2030, 42% of the global youth will be born in Africa, and nowadays 70% of the Sub-Saharan population is under 30 years old, as highlighted by **Claire Marty, VP, NielsenIQ Global Beauty Vertical**. Purchasing power in the continent is growing: consumers goods sales grew by 19% in 2024, with percentages up to 20% for beauty in Nigeria and Kenya. African beauty has a big potential outside Africa, too, thanks to people of African descent living in other countries, above all in the US, where people of African origin represent 14% of the US population. The United States are the biggest market for **black beauty**, with 10,2 billion USD being spent by black beauty consumers (+30% in the latest 25 years). Black beauty is focused not only in hair care and facial skin care, but in fragrances, too, and growth is faster when considering luxury products compared to mass market. Black beauty consumers care for quality, and they are spending more than the rest of the population: "There are not only consumers of African origin interested in this movement", sentenced Marty, "but a lot of black consumers in the US are from the Caribbean, Porto Rico, or Latin America, thus expanding the pool and the potential of the target audience".

African influence on beauty comes up in many ways, above all through devices and technologies and ancestral ingredients such as shea butter, shea nut oil, coconut oil, jojoba oil or argan oil, which are used all over the world. "It is so difficult to find brands producing on the continent", highlighted **Valerie Obaze, Founder of R&R Skincare**. "People have started to understand that the continent is much more than war, corruption and poverty. Global consumers are recognizing the quality of African ingredients, and how effective they are as a result of more brands producing their products on the continent and educating consumers on the benefits of the ingredients via channels such as social media. This has helped people all over the world to see that luxury can come from Africa."

Ore Lawani, Founder and CEO of Arami Essentials, echoed: "There is no explanation for why there are not more amazing African beauty brands on the shelves, both across Africa and in global beauty retailers - brands that could celebrate the excellence that is actually going on in the continent. Africa has only been seen as an ingredient supplier for too long, it was never seen as a finished product destination. The rise of A-Beauty ensures the real stories are being told and translated properly on the global stage".

"As founders of African beauty brands, we are part of a movement which can help make Africa more inspirational", stated **Salwa Petersen, Founder & Chief Executive Officer of Chéribé Beauty**. "We can facilitate people to know more about our countries, and get beyond bias. Africa is not a trend, it is the present and the future of beauty, and it can offer incredible opportunities for everyone".

"Africa is not the next frontier, it is the frontier", said **Suzie Wokabi, Director and CEO of O'Bao and Founder of SuzieBeauty and SB Dada**. "It is the youngest continent in the world and it is the place to be and where to invest. Young generations in Africa are watching out what is happening in the world, and they are changing the scenario for future generations".

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